

Purpose of the Economic Analysis

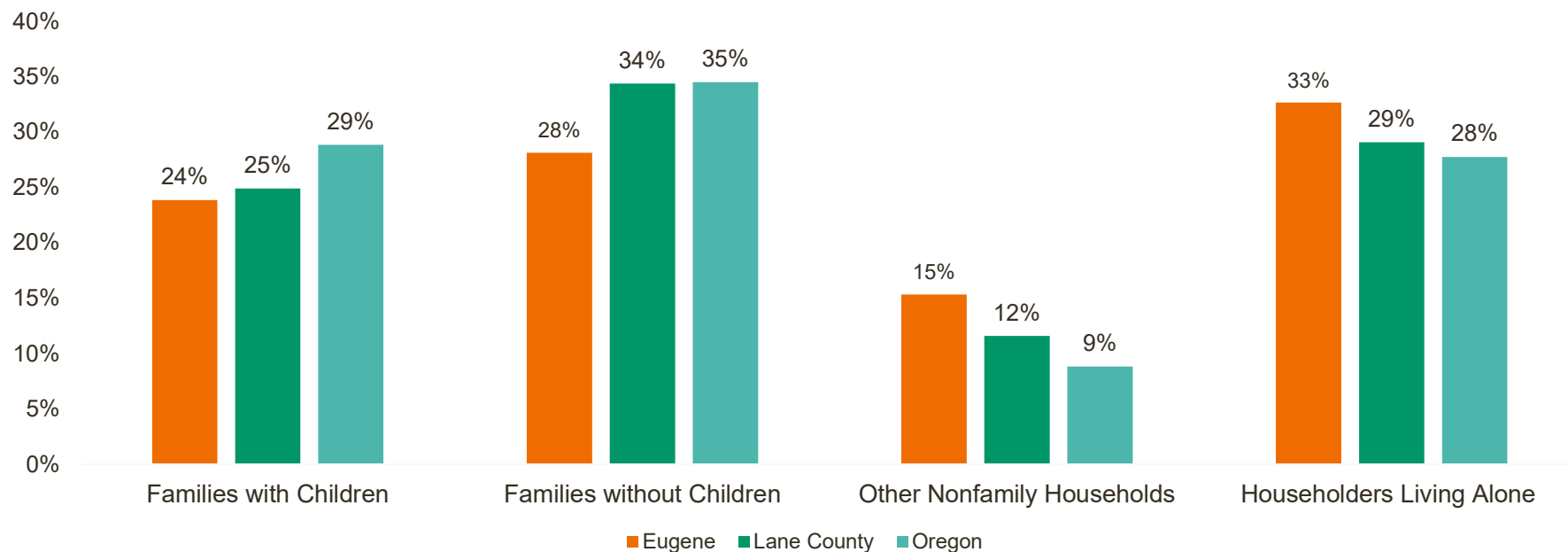
- Provide quantitative and qualitative information for the Working Group process
 - Conduct quantitative evaluation of ADUs and CET
 - Make recommendations to decisionmakers
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Today's Presentation

- Who needs housing in Eugene?
 - What type of housing is getting built (and where)?
 - How “affordable” is housing in Eugene?
 - Barriers to housing development in Eugene
 - How does Eugene compare to other cities in Oregon?
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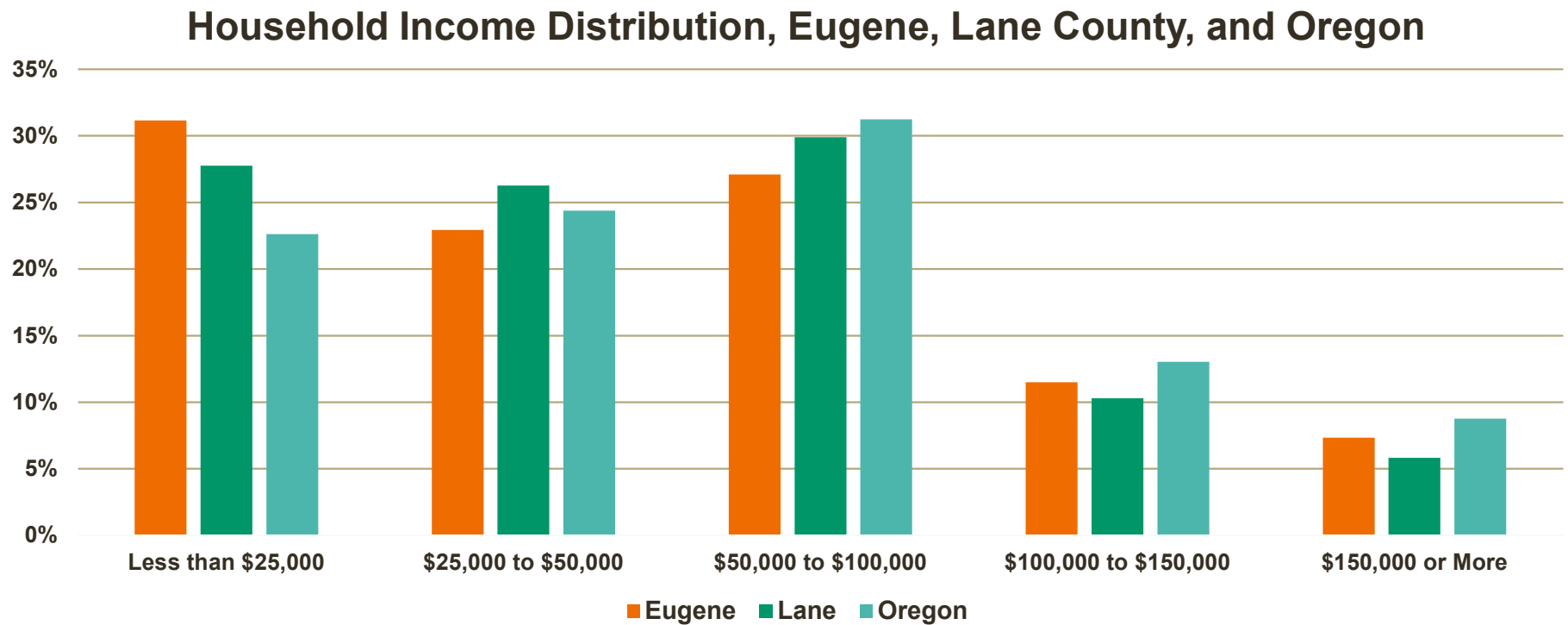
Who needs housing in Eugene?

Household Composition, Eugene, Lane County and Oregon



Source: ACS 5-year estimates, 2012-2016; Strategic Economics, 2018.

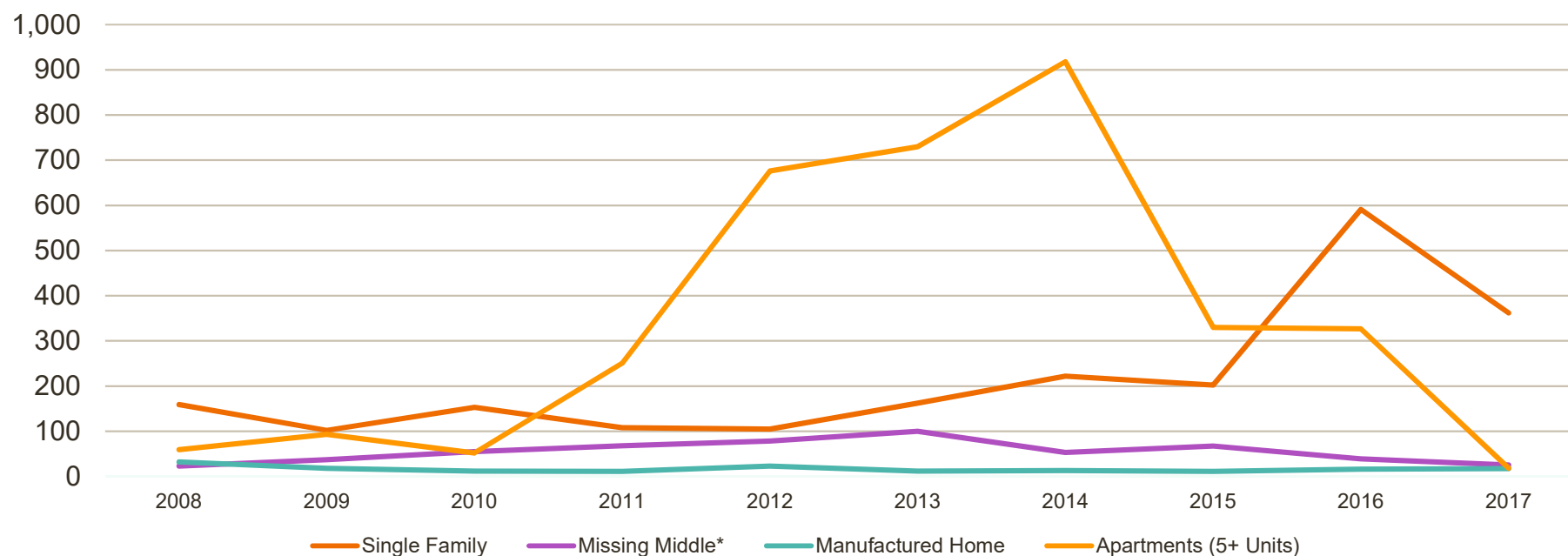
Who needs housing in Eugene?



Source: ACS 5-year estimates, 2012-2016; Strategic Economics, 2018.

What's getting built (and where)?

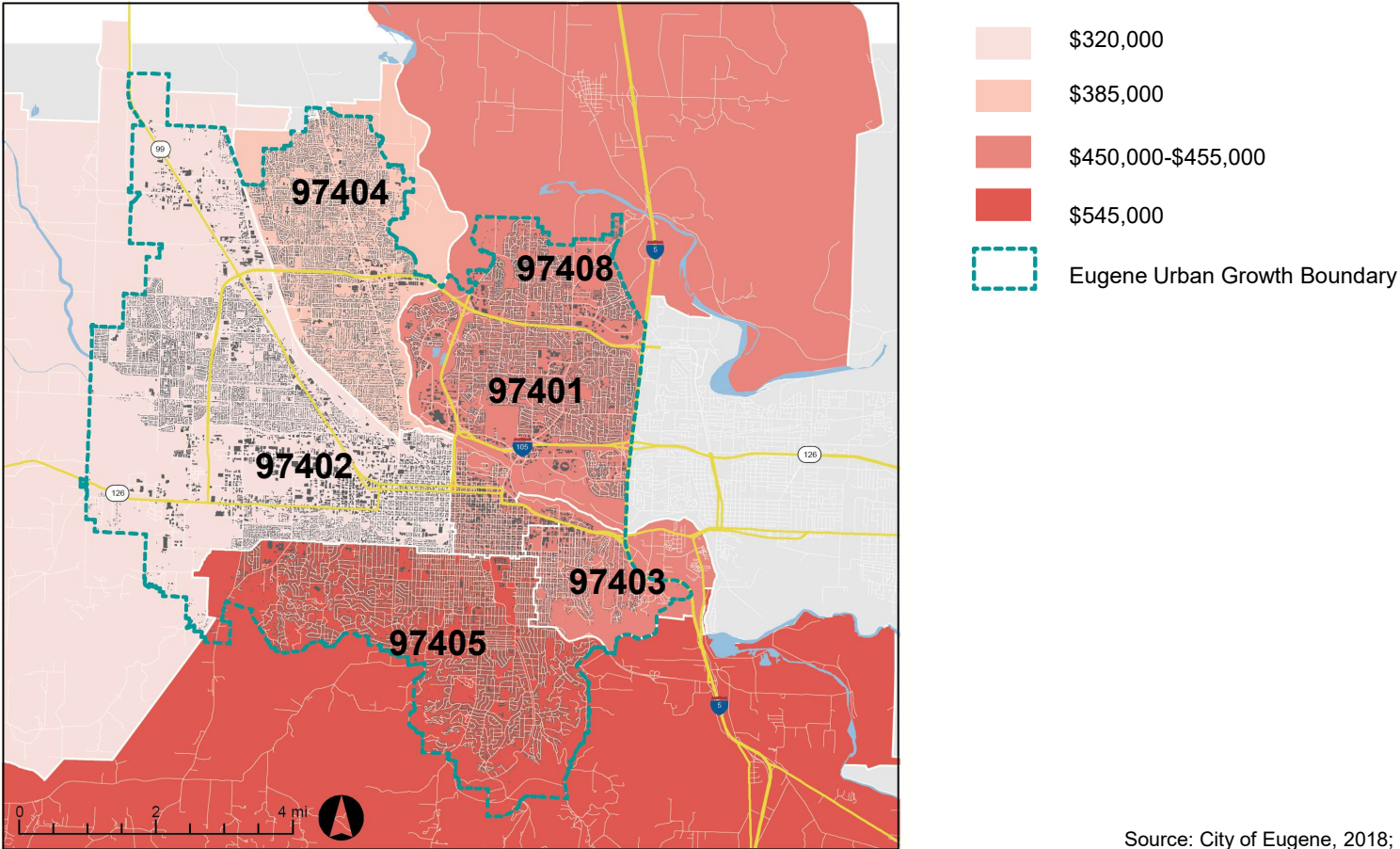
Eugene Housing Units Permitted 2008 to 2017 by Building Type



*Missing Middle includes duplex, triplex, fourplex, ADU, and townhome permits.

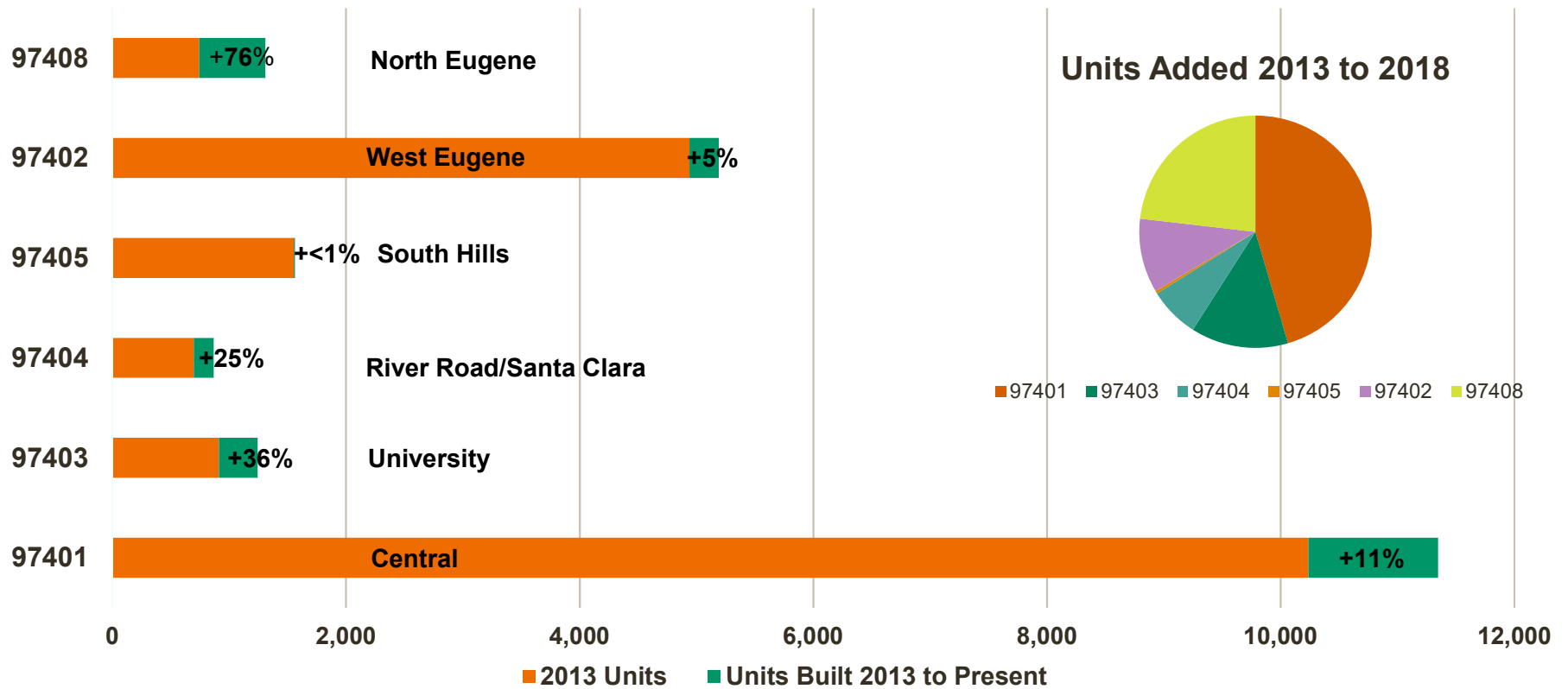
Source: City of Eugene, 2018; Strategic Economics, 2018.

Median Sales Price for Recently Built Single-Family Homes, 2017-2018



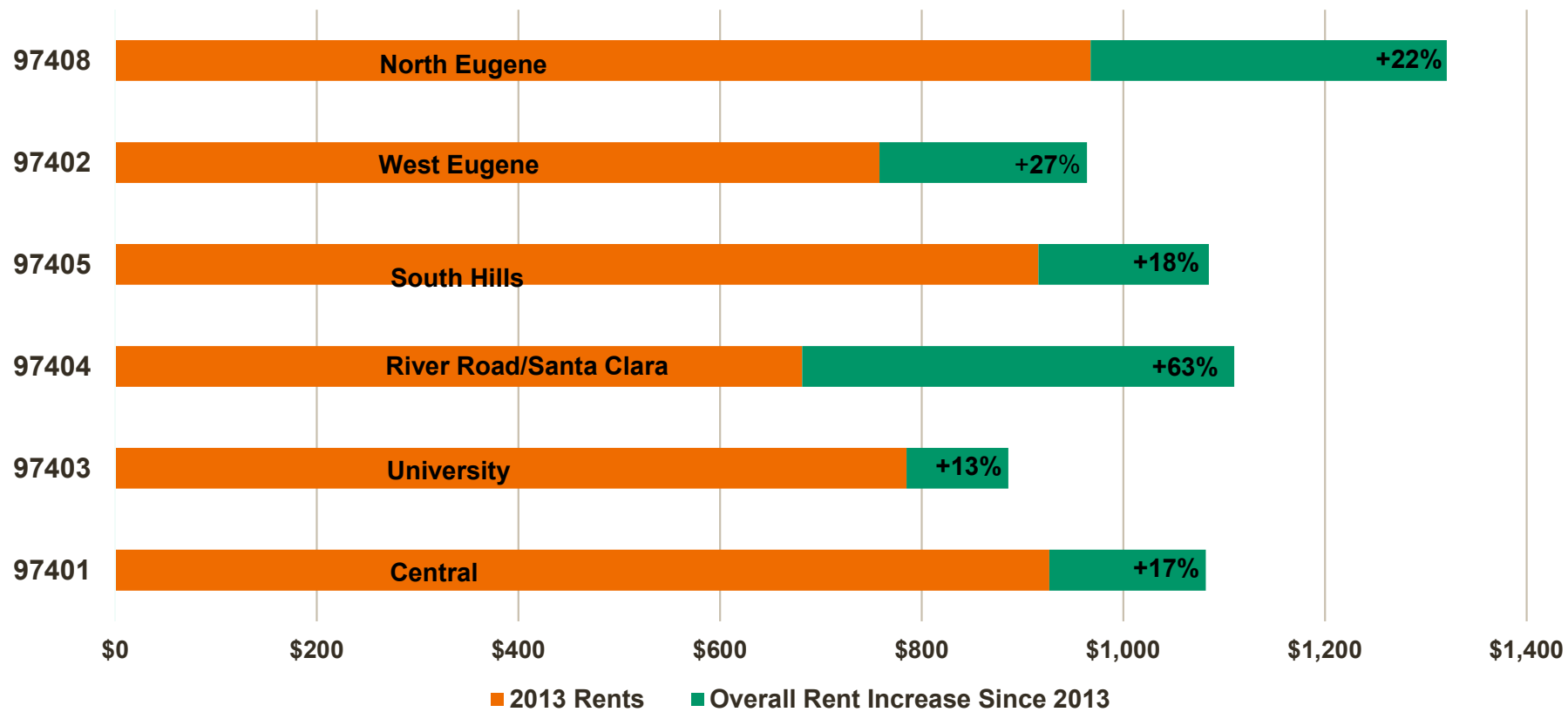
Source: City of Eugene, 2018; Redfin, 2018; Strategic Economics, 2018.

Multifamily Units by Zip Code, 2013-2018



Source: Costar, 2018; Strategic Economics, 2018.

Multifamily Rents by Zip Code



Source: Costar, 2018; Strategic Economics, 2018.

How “affordable” is housing in Eugene?

Household income needed to afford a house that costs \$315,000?

\$62,000

Household income needed to afford Eugene median rent (\$1,058 per month)?

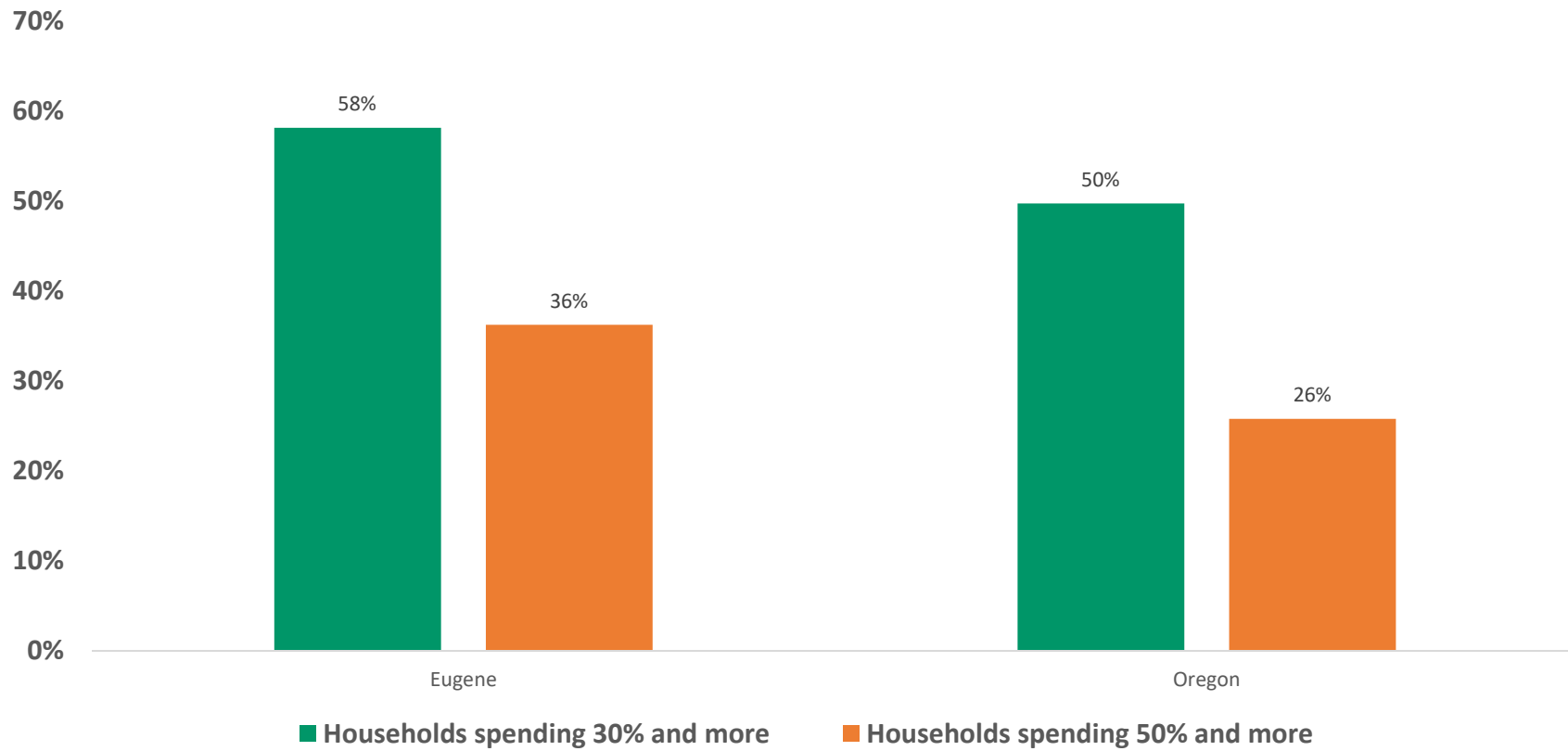
\$42,000

Median household income in Eugene?

\$44,859



Rent Burden in Eugene and Oregon: 2012-2016 estimates



Source: ACS 5-year estimates, 2012-2016; Strategic Economics, 2018.

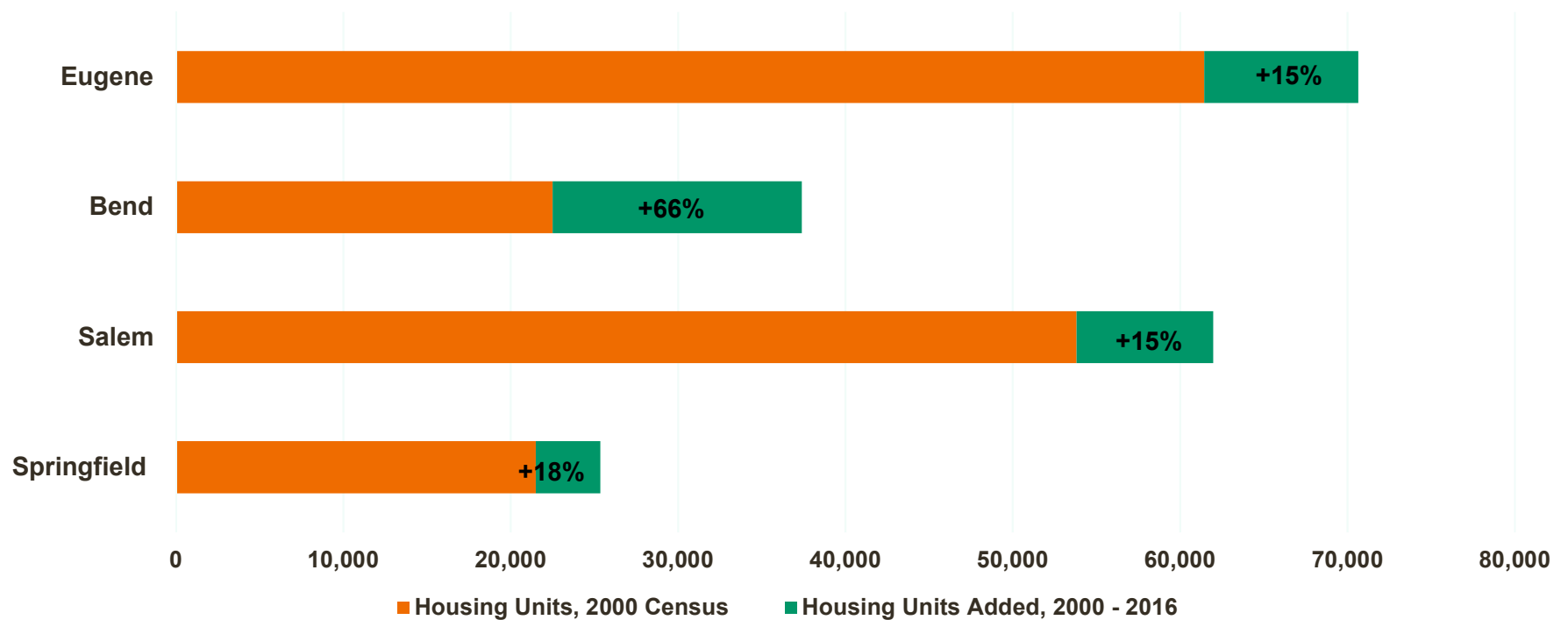
Eugene Designated Affordable Units

- 3,406 deed-restricted affordable units in Eugene
 - Units largely serve low and very-low income households
 - 1/3 of Eugene households have incomes at or below \$25,000
 - Affordable units make up 5 percent of Eugene housing stock
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Barriers to Housing Development

- Construction costs
 - Land costs
 - Regulatory barriers to Missing Middle housing types
 - Political barriers
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Eugene and Select Cities: Housing Units, 2000 - 2016



Source: U.S. Census, 2000; ACS 5-year estimates, 2012-2016; Strategic Economics, 2018.

Examples from other places

- Portland:
 - A large number of apartment units (and other housing types) have been built in Portland – approximately 42,000 apartment units have been permitted in the Portland metro area since 2012.
 - Multi-family rents in Portland are declining. Apartment rents peaked in April 2016, and have since declined 9 percent.
 - Portland-area voters approved a \$652.8 million bond measure to build thousands of homes affordable for low-income residents.
 - Seattle:
 - After rents increased by almost 50 percent in five years, rents started to decline in 2017.
 - A “flood of new construction has left apartments sitting empty in Seattle’s hottest neighborhoods” like South Lake Union, Ballard, and downtown Seattle.
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